POLICY PURPOSE

Troy Health, Inc. is committed to complying with the CMS contract requirements to take ultimate responsibility for all services provided and fulfillment of all terms and conditions of its contract with CMS, regardless of any business associate agreements with first tier and downstream entities.

The purpose of this policy is to describe the oversight policy of delegated services and the delegated oversight committee.

SCOPE

This policy applies to operational areas that have delegated health plan functions to First-Tier entities to conduct, and those First-Tier entities.

REFERENCES

- 42 CFR §§ 422.100(a), 422.504(i)(1), 422.504(i)(4)(i)-(v)
- Medicare Managed Care Manual, Chapter 21, Section 50.6.6
- Medicare Managed Care Manual, Chapter 11, Section 110

RESPONSIBLE PARTIES

- Chief Compliance Officer
- Chief Operating Officer
DEFINITIONS

- Carve-Out Arrangement – a First-Tier Entity that assumes the entire responsibility for providing a type or category of benefits.

- Downstream Entity – any party that enters a written arrangement with a First-Tier Entity to provide administrative services or health care services for a Medicare-eligible individual.

- FDR – means First Tier, Downstream or Related Entity.

- First-Tier Entity – any party that enters in a written arrangement directly with a Medicare Advantage organization to provide administrative services or health care services for a Medicare eligible individual.

- Related Entity - any entity that is related to an MAO or Part D sponsor by common ownership or control and
  
  (1) Performs some of the MAO or Part D plan sponsor’s management functions under contract or delegation;

  (2) Furnishes services to Medicare enrollees under an oral or written agreement; or

  (3) Leases real property or sells materials to the MAO or Part D plan sponsor at a cost of more than $2,500 during a contract period

POLICY

Troy Health, Inc. has delegated many of its responsibilities to other entities. All entities have agreed to uphold the conditions of a contract with a Medicare Advantage organization, including the right to audit and inspect any pertinent information for a period of 10 years, and other requirements. However, Troy Health remains accountable to CMS for any delegated administrative or health care services are performed in accordance with CMS standards.

Carve-Out arrangements are common where managed care organizations contract with another entity to assume the entire process for a given type of service or benefit, such as prescription drugs. However, Troy Health is still responsible for the oversight of their compliance, quality, and service provided to its members.

Troy Health also acknowledges that its provider network is also considered First-Tier or Downstream entities. With the wide variety of contractual arrangements, verifying their credentialing processes is being performed in compliance with standards is important oversight to be conducted.

The following requirements must apply to all delegated functions:

1. Written arrangement specifies delegated functions and reporting responsibilities.
2. Troy has the right to perform a pre-delegated review, including policies and procedures and staffing levels.
3. The entity’s performance is monitored on an ongoing basis and at least annually, an audit is performed.
4. If the entity is performing a high-risk function, monitoring may increase to ensure their processes are accurate.

Troy Health will conduct reviews based on member impact and may request a corrective action plan without performing an audit but has probable cause of non-compliance.

The Delegation Oversight Committee chairperson facilitates a Delegation Oversight Committee to discuss delegation issues, compliance with requirements, auditing and monitoring results, and compliance risk.

Subject matter experts (SMEs) have the expertise and relationship with the FDR to provide oversight of the delegated activities, share applicable sub-regulatory guidance related to their function, and monitor key metrics for any abnormal trends in data (e.g., claims volume).

PROCEDURE

Each SME must develop their own desktop-level procedures that outline the details of their oversight activities, depending upon the FDR’s contractual agreement. Desktop procedures must be routinely updated with version controls, as processes are modified or improved, or requirements change.

All SMEs must ensure the following components are incorporated into their delegation oversight procedures:

A. Pre-delegation Oversight

1. Pre-delegation review of the Delegate’s policies and procedures, and any enrollee letters or materials to be sent as part of the delegated function.
2. Pre-delegation review of staffing resources to ensure Delegate has sufficient, qualified staff to perform the delegated function.
3. Pre-delegation review to identify Service Level Indicators and reporting.
4. Pre-delegation review to confirm entity is not on the OIG Exclusion List (LEIE) or GSA SAM list prior to contract signatures.

B. Post-delegation Oversight

1. Annual risk assessment – to work with Compliance and the FDR to identify potential risk areas of non-compliance.
2. Routine monitoring – regular reviews to confirm ongoing compliance and ensure any corrective actions have been effective.
3. Regular meetings to discuss operational issues, share expertise, and develop a partnership with the FDR.
4. Annual audit (at a minimum) – detailed review of data or information to validate CMS compliance and contractual performance measures.
5. Corrective action plans – to report non-compliance to Compliance and support FDR’s corrective actions.
6. Service level indicators – annual review and adjustment if necessary
7. Key performance indicators - monthly reporting by FDR to Troy
8. Monthly review to confirm entity is not on OIG Exclusion List (LEIE) or GSA SAM list.
ATTACHMENTS/RELATED POLICIES/STANDARD OPERATING PROCEDURES

APPROVALS

Sally A. Scott

Chief Compliance Officer

09 / 09 / 2022

Date:

Sally A. Scott

Committee Approval

09 / 20 / 2022

Date: